

**MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE**

Room 445 State Capitol Building

February 3, 2014

Members Present: Sen. Howard A. Stephenson, Co-Chair
Rep. Bradley G. Last, Co-Chair
Rep. Steve Eliason, House Vice Chair
Sen. J. Stuart Adams
Sen. Lyle W. Hillyard
Sen. Patricia W. Jones
Sen. Daniel W. Thatcher
Sen. Stephen H. Urquhart
Rep. Joel K. Briscoe
Rep. LaVar Christensen
Rep. Francis D. Gibson
Rep. Stephen G. Handy
Rep. Michael S. Kennedy
Rep. Carol Spackman Moss
Rep. Jim Nielson
Rep. Kraig Powell

Members Excused: Rep. David E. Lifferth

Members Absent: Sen. Mark B. Madsen
Sen. Aaron Osmond

Staff Present: Mr. Ben Leishman, Fiscal Analyst
Dr. Thomas E. Young, Economist
Ms. Wendy Hill, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order

Co-Chair Last called the meeting to order at 8:24 a.m. He reminded the committee to submit appropriation requests today for items not included in a bill.

2. Final Action – Base Budget Bill

Mr. Ben Leishman reported on “[2-2nd Substitute House Bill 1 - Public Education Base Budget Amendments](#).” He discussed changes from H.B. 1 and new language that will be added. Co-Chair Last said 2nd Sub. H.B. 1 is close to last year’s budget except the nonlapsing balances have been removed. Sen. Hillyard commented on balances in the Education Fund and gave recommendations. Co-Chair Stephenson suggested nonlapsing balances be used for equalizing the Voted and Board Leeway. He referred to “[3-School District Property Tax Comparison -](#)

[Stephenson](#)” and spoke about Legislature’s responsibility to equalize funding. Sen. Hillyard was concerned how Rich School District would be affected with a reallocation of property tax. Co-Chair Stephenson said Rep. Handy’s bill, from the 2013 General Session, distributed funds that helped with equalization.

Co-Chair Stephenson recognized students from Discovery Elementary School in Brigham City, Vista Elementary School in Taylorsville and Park Elementary School in Spanish Fork.

Rep. Handy said the intent of his bill from the 2013 General Session was to get money to the schools. Mr. Bruce Williams, Associate Superintendent for Business Services and Operations, Utah State Office of Education (USOE) discussed the balance in the Voted and Board Leeway program. The one time funds were sent to school districts with the lowest tax base per student. Funds were allocated monthly. Prior to the budget year school districts had estimates of how much money they would receive from USOE. Sen. Adams said some charter schools reallocate their funds to increase teacher pay. Rep. Briscoe said school districts must be studied individually, he agreed with Co-Chair Stephenson about having a \$50 state guarantee per student. Rep. Christensen talked about income tax, property tax and the discrepancy between money that funds construction of schools and money that makes it into the classroom.

Mr. Leishman explained the technical language of “[2-2nd Substitute House Bill 1 - Public Education Base Budget Amendments](#)” in section two and three needed to be changed.

MOTION: Co-Chair Stevenson moved that the subcommittee approve the Base Budget bill, 2nd Sub. H.B. 1.

Sen. Hillyard amended the motion by including the technical language to section two and three described by Mr. Leishman.

The motion passed unanimously with Sen. Urquhart and Rep. Nielson absent for the vote.

3. Procedures for Budget Request Items

Co-Chair Last asked the subcommittee to make suggestions on how the Budget Requests prioritizations could be managed this year. Sen. Jones asked when the motions would be made on Budget Requests. Co-Chair Last said the motions would probably take place in the last two meetings of next week.

4. Enrollment Growth Cost Estimate

Mr. Leishman discussed “[4-Issue Brief - 2014 General Session - Minimum School Program Annual Adjustment Variables](#).” This past October, Utah’s public schools enrolled 612,551 students, an increase of 11,581 students. This growth represents a 1.9 percent increase over fall 2012. Since 1976, Utah has only seen three years where student enrollment decreased. Projections indicate that student enrollment may increase another 1.7 percent in fall 2014 (FY 2015). This is an increase of 10,262 students, for a total enrollment of 622,813. In an effort to try

and reduce the amount of state funding left over at the end of the fiscal year, the Common Data Committee (CDC) changed the way it estimates local revenue collection.

Co-Chair Last, Co-Chair Stephenson, Sen. Jones, Rep. Briscoe, Sen. Hillyard and Rep. Handy asked questions about enrollment growth.

5. Review of FY 2014 One-time Appropriations

Mr. Leishman explained “[5-Public Education - FY 2014 One-time Appropriations](#).” Every year certain items are funded with one time appropriations. He reviewed items in the Minimum School Program (MSP) and Education Agencies.

Co-Chair Last asked Dr. Martell Menlove, State Superintendent, USOE to comment on the Statewide Computer Adaptive Testing Infrastructure. Dr. Menlove said this item is not a request from the State Board of Education. Co-Chair Stephenson asked for more details. Rep. Christensen commented favorably on Capitol field trips and the need for quality teaching grants. Vice Chair Eliason is requesting an increase of appropriations for the Capitol field trips. Rep. Moss said training teachers at the Core Academy was successful and needs to continue.

6. Education Agencies: Federal Funds Review

Dr. Thomas Young, Economist discussed “[6-Federal Funds](#).” Line items included, USOE, Nutrition Programs and Utah Schools for the Deaf and Blind (USDB).

Rep. Briscoe commented about Tech Literacy and the Nutrition Program. Dr. Menlove said not all students qualify for federal assistance at the same rate.

7. Education Agencies: Fees Review

Dr. Young reported the details on “[7-Public Education Fees](#).” Dr. Menlove commented on fees for the Core Academy, a reallocation of fees from Teacher Licensing and funds for purchasing fingerprint devices.

8. Off-Budget Funds

Dr. Young described “[8-Public Education - Off-Budget Funds](#).” He said the subcommittee may want to review these funds annually, Education Tax Check-Off Lease Refunding, Child Nutrition Program Commodities Fund, Utah Community Center for the Deaf Fund, Charter School Revolving Account, School Building Revolving Account, Schools for the Deaf & Blind Donation Fund and Utah Public Education Foundation.

Co-Chair Last and Co-Chair Stephenson asked for details. Dr. Menlove said the USOE is working to close the Utah Public Education Foundation. Dr. Menlove was uncertain of the audits of various local school district’s foundations. Co-Chair Stephenson believed the foundations’ budgets should be transparent.

9. School LAND Trust Revenue

Mr. Leishman said The School LAND Trust Program (Learning And Nurturing Development)

provides revenue to individual schools. Each school has a School Community Council that establishes a school “Trust Lands” plan that identifies a given need at the school. Program revenues implement this plan. The State has approximately 3 million acres of school trust lands that were set aside at statehood to support Utah’s schools. Revenue generated from these lands is saved in the State School Fund. The interest and dividends earned off the investment of this fund are distributed to the schools. Revenues are placed in the Uniform School Fund restricted account. Revenue should be \$38 million this year.

10. Proposed Intent Language

Mr. Leishman referred to “[10-Public Education - FY 2014 Intent Language](#).” Intent language items included Teacher Supplies & Materials, Flexible Allocation, Charter Schools – FY 2016 Enrollment Growth.

Co-Chair Stephenson commented on funding student growth. Sen. Hillyard asked if it was necessary to fund growth in every school district and if growth funding should be attached to the Weighted Pupil Unit (WPU). Mr. Leishman said if enrollment growth is not funded the impact would occur in the second year. The size of the Local Education Agency (LEA) influences the absorption of enrollment growth. Sen. Hillyard talked about students transferring between Charter Schools and Public Schools during the school year and funding issues. Rep. Christensen asked if the growth money gets to the schools that need it. Co-Chair Stephenson said the money reaches the local school board. School boards prioritize where the money goes. Co-Chair Last said the Legislature should not micromanage. Dr. Menlove commented about enrollment growth.

Mr. Leishman said future meetings will cover discussions on budget requests and requests for appropriations.

MOTION: Vice Chair Eliason moved to adjourn. The motion passed unanimously with Sen. Adams absent for the vote.

Co-Chair Last adjourned the meeting at 10:34 a.m.

Sen. Howard A. Stephenson, Co-Chair

Rep. Bradley G. Last, Co-Chair